

**From:** James Seery <jpseeryjr@gmail.com>  
**To:** Isaac Leventon <ILeventon@highlandcapital.com>  
**Cc:** Scott Ellington <SEllington@highlandcapital.com>  
**Subject:** Re: UBS Supplemental Information Request  
**Date:** Wed, 5 Aug 2020 19:06:53 -0400

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Yes

Sent from my iPhone

On Aug 5, 2020, at 7:06 PM, Isaac Leventon wrote:

9:30 am CT, 10:30 am et?

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**From:** James Seery  
**Sent:** Wednesday, August 5, 2020 6:05 PM  
**To:** Isaac Leventon  
**Cc:** Scott Ellington  
**Subject:** Re: UBS Supplemental Information Request

Thanks.

Can we discuss early tomorrow?

I'm open.

Thanks.

Sent from my iPhone

On Aug 5, 2020, at 6:29 PM, Isaac Leventon <[ILeventon@highlandcapital.com](mailto:ILeventon@highlandcapital.com)> wrote:

Jim – Wanted to walk you through the additional analysis and support before I send it to Pachulski. Please let me know when you have a moment to discuss. Summary:

- CDO Fund
  - Current assets: \$32 million, composed of \$11 mill in Greenbriar CLO equity and \$21 million in Multi-Strat.
  - 2009 v. 2019: We have the assets lists from 2009 – 2011. I reconciled the remaining 2011 assets (in the attached) against 2019. That is how we showed the \$32 million in remaining positions.

- Cash: 2012 – 2015. Fund has unaudited financials from 2009 – 2011 (attached). From 2012 – 2015, the fund had \$10.5 million in cash from cash-on-hand plus sales proceeds. \$16.6 million in legal fees paid (trying to determine source of additional funds to pay fees).
  - One asset unaccounted for: Lehman BK claim. Our system is just not built to track this asset type easily. I am still working on it.
  - Support: A 2011 unaudited financial prepared in support of HCMLP's audit. Trade tickets to support each 2011 asset not still in the fund. List of legal fee payments by date, amount, payor.
- SOHC
    - Current Assets: written off bonds of Delphi and Tousa; Longstreet CDO Mezz. (zero value).
    - 2009 v. 2019: Have position statements from 2009 – 2012. The remaining non-cash positions in 2012 were the Delphi Bonds, still in the fund.
    - Cash: We have a cash flow statement showing all payments from 2009 – 2018 (last payment date). Last remaining \$295,000 in cash was paid in 2017. Since then the fund has received \$109.10 in dividend payments. That means SOHC currently has enough gross assets to buy a steak dinner, as long as it does not order the wine.
    - Support: Position statements, cash flow statement.

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**From:** Isaac Leventon

**Sent:** Wednesday, August 5, 2020 2:54 PM

**To:** 'James Seery' <jpseeryjr@gmail.com>; James Romey <jromey@DSIConsulting.com>; David Klos <DKlos@HighlandCapital.com>; Gregory V. Demo <GDemo@pszjlaw.com>

**Cc:** Bradley Sharp <bsharp@DSIConsulting.com>

**Subject:** RE: UBS Supplemental Information Request

+ Greg Demo.

- UBS's current requests for information exceed what it was entitled to under the Special Master Discovery Order (attached). UBS is asking for documents from 12/31/07 – 12/31/19. UBS already received these documents from 12/31/06 – 5/31/09, which was the relevance cut-off for proving liability on alter ego. The relevance time period was defined as the time period in which the alleged fraudulent transfers took place. UBS has all of the documents to which the special master deemed it was entitled.
- HFP (the parent of SOHC) and CDO Fund both informed their investors in 2009 that they had zero net asset value. I have attached the letters for reference. I know the HFP letter was part of the earlier production to UBS; I am trying to verify if the CDO Fund letter was produced.
- I have been tracking the assets through on SOHC and CDO Fund. I am putting together a report with supporting documents.
  - SOHC had \$295,000 in cash, all since paid in legal fees. It has four worthless securities, two bonds in bankrupt companies (Delphi and Tousa) and two CDO mezz tranches.
  - I found a CDO Fund work book from 2011. CDO Fund had ten assets as of end of 2011 (plus \$1.2 m in cash). Four were sold and the proceeds (plus \$1.2m cash-on-hand) used to pay legal fees. One asset, a claim in the Lehman BK, I still am trying to track down. Five assets remain in the Fund, three with zero value, as well as \$11m in Greenbriar CLO equity and some amount of Multi-Strat equity (\$11m as of 2011, I am trying to figure out the value today). Greenbriar's portfolio is made up almost entirely of Highland-managed private equity names (Carey, Cornerstone, Omnimax, etc). Multi-Strat's portfolio should be familiar, but it is primarily MGM, JHT, and Omnimax. Also, Multi-Strat cannot pay its equity holders until

it resolves a dispute with its primary creditor UBS. Therefore, both portfolio assets are illiquid unless the underlying PE positions are sold.

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**From:** James Seery <[jmseeryjr@gmail.com](mailto:jmseeryjr@gmail.com)>  
**Sent:** Wednesday, August 5, 2020 9:16 AM  
**To:** James Romey <[jromeey@DSIConsulting.com](mailto:jromeey@DSIConsulting.com)>; Isaac Leventon <[ILEventon@HighlandCapital.com](mailto:ILEventon@HighlandCapital.com)>; David Klos <[DKlos@HighlandCapital.com](mailto:DKlos@HighlandCapital.com)>  
**Cc:** Bradley Sharp <[bsharp@DSIConsulting.com](mailto:bsharp@DSIConsulting.com)>  
**Subject:** Re: UBS Supplemental Information Request

We have the cash call at 11. Can we get on this call now? Thanks

Best. Jim

Jim Seery

631-804-2049

[jmseeryjr@gmail.com](mailto:jmseeryjr@gmail.com)

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**From:** James Romey <[jromeey@DSIConsulting.com](mailto:jromeey@DSIConsulting.com)>  
**Date:** Wednesday, August 5, 2020 at 9:22 AM  
**To:** Isaac Leventon <[ILEventon@HighlandCapital.com](mailto:ILEventon@HighlandCapital.com)>, David Klos <[DKlos@HighlandCapital.com](mailto:DKlos@HighlandCapital.com)>  
**Cc:** Jim Seery <[jmseeryjr@gmail.com](mailto:jmseeryjr@gmail.com)>, Bradley Sharp <[bsharp@DSIConsulting.com](mailto:bsharp@DSIConsulting.com)>  
**Subject:** UBS Supplemental Information Request

Isaac/David,

Can you do a call this morning asap with Jim to discuss status of these materials? This is a high priority item.

Let me know what works for you guys and I'll send a dial in.

Thanks,  
James

**James E. Romey**

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